



CRC Memorandum



No. 1084

A publication of the Citizens Research Council of Michigan

December 2007

STATE AND LOCAL GOVERNMENT EMPLOYMENT, A COMPARATIVE ANALYSIS

Introduction

A debate about the appropriate size of state government underlies efforts to develop a comprehensive, bipartisan solution to Michigan's structural budget deficit, with some elected leaders arguing for further reductions in the size of the government and more privatization of state functions. Other officials asserted that, except for the Corrections Department, state government is now the smallest it has been in many years, and that further cuts would irreparably harm both those who depend on critical state services and the economic future of the state.

This paper seeks to provide information on several aspects of the budget debate: the relative size of the state's public sector workforce, comparing the number and distribution of Michigan government employees with those of other states; the relative size of the state and local government workforce; and the relative cost of state employees, comparing average salaries and fringe benefit costs of Michigan state employees to those of other states' employees. Evaluation of state government employment levels requires an analysis of state and sub-state government employment because of the variation among states in the distribution of responsibilities between the different levels of government.

Comparisons of state government employment levels are necessarily imprecise. Varying political cultures, values, challenges, and needs affect the range of public services. The age distribution and income

of residents will affect the need for public services and the functions in which public employees are required. Utilities (water supply, electric power, gas supply) may or may not be publicly owned and operated. Governments rely to varying degrees on contractual means of providing services, and while public services may be produced by, and expenses incurred for, contractual service providers, the employees of private firms will not appear as state or local government workers. Larger states may achieve economies of scale in the provision of services. The amount of federally owned land or land in Indian reservations may affect the jurisdiction and responsibility of state and local governments. Further, obtaining comparable data for all states is a challenge: data on the numbers of state and local employees by function used in this report are from the U.S. Census Bureau, Governments Division¹ and are for full time equivalent (FTE) employees, and for comparative purposes, special attention is paid to the most populous states and to other Great Lakes states.

Not only does the array of services provided by government vary among states, the distribution of functions between the state government and local governments differs as well, so fewer state employees may reflect a greater reliance on local government to provide services and more state employees may reflect very weak local governments. In states including Michigan, local governments' ability to hire and retain staff may depend on state revenue sharing payments.

¹ State Government Employment Data: March 2006 at <ftp2.census.gov/govs/apes/06stus.txt>



CITIZENS RESEARCH COUNCIL OF MICHIGAN

MAIN OFFICE 38777 West Six Mile Road, Suite 208 · Livonia, MI 48152-3974 · 734-542-8001 · Fax 734-542-8004

LANSING OFFICE 124 West Allegan, Suite 1502 · Lansing, MI 48933 · 517-485-9444 · Fax 517-485-0423

CRCMICH.ORG

Section 1: The Number of State and Local Employees

Data for March 2006 indicate that there were 486,697 full-time equivalent state and local employees in Michigan, including those in public K-12 and higher education. Local governments

engage in services that the state does not, and in Michigan, these include firefighting, air and water transportation, solid waste management and sewerage, housing and community development,

water, electric, transit, and libraries. The 486,697 state and local employees in Michigan comprised 3.02 percent of the 16,135,699 state and local employees in all 50 states. (See *Table 1*.)

Table 1
Michigan State and Local Government Employment in March, 2006

	<i>Full Time Equivalent Employees</i>
Financial Administration	11,583
Other Government Administration	10,853
Judicial and Legal	11,801
Police Protection-Officers	18,729
Police-Other	4,921
Firefighters	6,990
Fire-Other	598
Correction	22,912
Highways	13,046
Air Transportation	442
Water Transport and Terminals	54
Public Welfare	12,364
Health	13,814
Hospitals	22,744
Social Insurance Administration	975
Solid Waste Management	1,247
Sewerage	4,027
Parks and Recreation	5,205
Housing and Community Development	1,980
Natural Resources	5,264
Water Supply	4,432
Electric Power	1,386
Transit	3,919
Elementary and Secondary Instructional	138,344
Elementary and Secondary-Other	72,195
Higher Education-Instructional	27,823
Higher Education-Other	50,509
Other Education	1,387
Libraries	4,594
Other and Unallocable	<u>12,559</u>
Total	486,697

CRC Memorandum

Michigan ranked eleventh of the 50 states in the total number of full-time equivalent state and local employees. In Michigan, 27.7

percent of public employees worked for the state and 72.3 percent were local employees. Nationally, 26.3 percent of public

employees were state workers and 73.7 percent worked for sub-state governments. (See *Table 2*.)

Table 2
State and Local FTE Employees, 2006: Selected States

<u>Rank</u>	<u>State</u>	<u>State and Local Employees</u>	<u>State Employees</u>		<u>Local Employees</u>	
			<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
1	California	1,818,732	393,609	21.6	1,425,123	78.4
2	Texas	1,315,006	281,722	21.4	1,033,284	78.6
3	New York	1,190,287	249,208	20.9	941,079	79.1
4	Florida	867,259	191,215	22.0	676,044	78.0
5	Illinois	634,990	131,859	20.8	503,131	79.2
6	Ohio	616,739	136,840	22.2	479,899	77.8
7	Pennsylvania	568,350	161,136	28.4	407,214	71.6
8	New Jersey	511,755	156,768	30.6	354,987	69.4
9	North Carolina	511,263	139,117	27.2	372,146	72.8
10	Georgia	505,644	124,361	24.6	381,283	75.4
11	Michigan	486,697	134,918	27.7	351,779	72.3
14	Indiana	332,849	89,799	27.0	243,050	73.0
19	Wisconsin	288,073	68,143	23.7	219,930	76.3
23	Minnesota	272,394	76,795	28.2	195,599	71.8
50	Vermont	40,142	14,615	36.4	25,527	63.6
	United States	16,135,699	4,250,554	26.3	11,885,145	73.7

FTEs per 10,000 Residents. As noted previously, comparisons of the number of state employees are complicated by a variety of factors, not the least of which is the difference in the population and geographic area of the 50 states.

Populations of Selected Comparison States

In 2006, the population of the United States was 299.4 million, Michigan's population constituted 3.37 percent of the total, and seven states had more residents than Michigan:

<u>Rank</u>	<u>State</u>	<u>2006 Population</u>
1	California	36,457,549
2	Texas	23,507,783
3	New York	19,306,183
4	Florida	18,089,888
5	Illinois	12,831,970
6	Pennsylvania	12,440,621
7	Ohio	11,478,006
8	Michigan	10,095,643
15	Indiana	6,313,520
20	Wisconsin	5,556,506
21	Minnesota	5,167,101
50	Wyoming	515,004
	United States	299,398,484

Source: Population Division, U.S. Census Bureau

CRC Memorandum

One way to compare the numbers of state and local employees is to base the comparison on the number of state and local FTE employees per 10,000 residents. In 2006, Michigan had 482 state and local government employees per 10,000 residents; in the United

States as a whole, there were 539 state and local employees per 10,000 residents. The national average number of state and local employees per 10,000 residents was higher than the Michigan number in 27 of the 32 functions reported by the Census Bureau. The

only functional areas in which Michigan had a larger number of FTEs per 10,000 residents were other government administration, elementary and secondary –other, higher education- instructional, higher education-other, and libraries. (See *Table 3*.)

Table 3
State and Local Government Employment per 10,000 Residents in March, 2006

	<u>Michigan</u>	<u>United States</u>
Financial Administration	11.5	13.1
Other Government Administration	10.8	9.6
Judicial and Legal	11.7	14.0
Police Protection-Officers	18.6	22.9
Police-Other	4.9	7.8
Firefighters	6.9	10.1
Fire-Other	0.6	0.9
Correction	22.7	23.9
Highways	12.9	18.2
Air Transportation	0.4	1.5
Water Transport and Terminals	0.1	0.4
Public Welfare	12.2	17.1
Health	13.7	14.5
Hospitals	22.5	31.0
Social Insurance Administration	1.0	2.8
Solid Waste Management	1.2	3.7
Sewerage	4.0	4.3
Parks and Recreation	5.2	8.9
Housing and Community Development	2.0	3.8
Natural Resources	5.2	6.3
Water Supply	4.4	5.5
Electric Power	1.4	2.6
Gas Supply	-	0.4
Transit	3.9	7.6
Elementary and Secondary Instructional	137.0	154.2
Elementary and Secondary-Other	71.5	67.8
Higher Education-Instructional	27.6	21.8
Higher Education-Other	50.0	41.3
Other Education	1.4	3.0
Libraries	4.6	4.3
Liquor Stores	-	0.3
Other and Unallocable	<u>12.4</u>	<u>15.5</u>
Total	482.1	538.9

CRC Memorandum

Of individual states, sparsely populated Wyoming, with 889 state and local employees per 10,000 residents, and Alaska, with 786, led the nation, although 11 states had more than 600 state and

local employees per 10,000 residents. Michigan, Florida, and Pennsylvania are among the states with the largest absolute numbers of state and local government employees, yet the fewest state

and local employees relative to population. Michigan ranked 45th of the 50 states in the number of state and local FTE employees per 10,000 residents. (See *Table 4*.)

Table 4
State and Local FTE Employees per 10,000 Residents, 2006: Selected States

<u>Rank</u>	<u>State</u>	<u>Total FTEs</u>	<u>State FTEs</u>	<u>Local FTEs</u>
1	Wyoming	889.4	248.8	640.5
2	Alaska	785.5	375.4	410.1
3	Kansas	669.1	160.6	508.5
11	New York	616.5	129.1	487.4
24	Texas	559.4	119.8	439.5
29	Ohio	537.3	119.2	418.1
35	Indiana	527.2	142.2	385.0
36	Minnesota	527.2	148.6	378.5
38	Wisconsin	518.4	122.6	395.8
42	California	498.9	108.0	390.9
43	Illinois	494.8	102.8	392.1
45	Michigan	482.1	133.6	348.4
46	Rhode Island	479.9	192.9	287.0
47	Florida	479.4	105.7	373.7
48	Arizona	462.3	108.4	353.9
49	Pennsylvania	456.9	129.5	327.3
50	Nevada	414.0	103.6	310.3
	United States	538.9	142.0	397.0

State and Local Education Employees. By far the largest proportion of all Michigan state and local FTE employees, 43.3 percent, were categorized as “elementary and secondary education”; this compares to 41.2 percent of all U.S. state and local employees that were so classified.

With 535 employees in the category “elementary and secondary education-instructional and 188 employees in the category “elementary and secondary instruction-other,” Michigan is one of a very few states that report any state (as opposed to local) employees in elementary and secondary education (others are Hawaii with 24,797 FTE employees, New Jersey with 19,521, Alaska with 3,220, Rhode Island with 613, Maine with 53, and Texas with 13). The Department of Education operates the Michigan School for the Deaf and Blind in Flint and the Department of Community Health operates the Hawthorn Center, which provides intensive inpatient psychiatric services to children and adolescents, as well as a number of facilities for the developmentally disabled. Teachers are also employed by the Departments of Corrections, Labor and Economic Growth, and Human Services.

Within the combined category of elementary and secondary education, 34.3 percent of Michigan state and local employees are non-instructional, compared to 30.5 percent nationally. This metric may reflect, in part, the degree to which custodial, food service,

and transportation services are performed on contract. Only five states and Washington, D.C. had a larger proportion of elementary and secondary education employees classified as non-instructional (hurricane ravaged Louisiana and Mississippi did not report combined state and local employees for 2006). Vermont reported the lowest proportion of elementary and secondary employees in non-instructional positions (19.7 percent), followed by Massachusetts at 22.0 percent. (See *Table 5*.)

An additional 16.1 percent of all Michigan state and local employees were classified as “higher education”; this compares to 11.7 percent of all U.S. state and local employees that were so classified and reflects the high proportion of higher education students in public institutions.

In Michigan, 59.6 percent of all state and local workers were employed in education; nationally, 53.5 percent of all state and local employees were in education.

Table 5
State and Local Elementary and Secondary Education Employees:
Selected States

<u>Rank</u>	<u>State</u>	<u>Percent</u> <u>Non-Instructional</u>
1	Vermont	19.7
2	Massachusetts	22.0
3	Hawaii	22.8
8	Wisconsin	23.7
15	Illinois	26.8
23	Minnesota	28.4
24	Pennsylvania	28.5
26	New York	29.3
32	Texas	31.0
37	Florida	32.5
38	Ohio	32.9
42	Michigan	34.3
43	West Virginia	34.3
44	Arizona	34.6
45	Alaska	35.2
46	Indiana	36.5
47	Kentucky	36.5
48	California	36.5
49	Washington, D.C.	39.0
	United States	30.5

State Government Employees

In March, 2006 the State of Michigan employed 134,918 full time equivalent workers, including 65,346 employed in higher education. Michigan's state employees constituted 3.17 percent of the 4,250,554 state employees in the U.S. The State of Michigan workers were employed in the categories identified in *Table 6*.

Table 6
Michigan State Government Employment in March, 2006

	<u>FTEs</u>
Financial Administration	4,588
Other Government Administration	1,533
Judicial and Legal	1,553
Police Protection-Officers	1,959
Police-Other	851
Correction	17,294
Highways	2,944
Public Welfare	10,014
Health	1,889
Hospitals	13,887
Social Insurance Administration	975
Parks and Recreation	280
Natural Resources	4,578
Elementary and Secondary Instructional	535
Elementary and Secondary-Other	188
Higher Education-Instructional	22,662
Higher Education-Other	42,684
Other Education	1,387
Other and Unallocable	<u>5,117</u>
Total	134,918

Hawaii and Alaska, where elementary and secondary education employees are state government workers, have the largest ratio of state employees to population. A total of 11 states (including all seven of the states with populations larger than Michigan's and five of the other seven Great Lakes states) had fewer state employees per 10,000 residents than Michigan. (See *Table 7*.)

Table 7
State FTE Employees per 10,000 Residents, 2006: Selected States

<u>Rank</u>	<u>State</u>	<u>Employees</u>	<u>Per 10,000 Residents</u>
1	Hawaii	54,958	427.5
2	Alaska	25,151	375.4
3	Delaware	25,614	300.1
33	Minnesota	76,795	148.6
35	Indiana	89,799	142.2
39	Michigan	134,918	133.6
40	Georgia	124,361	132.8
41	Pennsylvania	161,136	129.5
42	New York	249,208	129.1
43	Wisconsin	68,143	122.6
44	Texas	281,722	119.8
45	Ohio	136,840	119.2
46	Arizona	66,858	108.4
47	California	393,609	108.0
48	Florida	191,215	105.7
49	Nevada	25,859	103.6
50	Illinois	131,859	102.8
	United States	4,250,554	142.0

Table 8
State Government Employment per 10,000 Residents in March, 2006

	<u>Michigan</u>	<u>United States</u>
Financial Administration	4.5	5.7
Other Government Administration	1.5	1.8
Judicial and Legal	1.5	5.7
Police Protection-Officers	1.9	2.2
Police-Other	0.8	1.3
Correction	17.1	15.6
Highways	2.9	8.0
Air Transportation	-	0.1
Water Transport and Terminals	-	0.2
Public Welfare	9.9	7.7
Health	1.9	6.1
Hospitals	13.8	13.3
Social Insurance Administration	1.0	2.8
Solid Waste Management	-	0.1
Sewerage	-	0.1
Parks and Recreation	0.3	1.1
Natural Resources	4.5	4.9
Water Supply	-	0.0
Electric Power	-	0.1
Transit	-	1.1
Elementary and Secondary Instructional	0.5	1.2
Elementary and Secondary-Other	0.2	0.4
Higher Education-Instructional	22.4	17.3
Higher Education-Other	42.3	35.1
Other Education	1.4	3.0
Libraries	-	0.0
Other and Unallocable	5.1	6.9
Total	133.6	142.0

Michigan had 134 state employees per 10,000 residents; the national average was 142 state employees per 10,000 residents. Of the 28 functional areas in which all state employees were categorized, Michigan had fewer state employees per 10,000 residents than the national average in 23 categories. Michigan had more state government employees per 10,000 residents in the areas of corrections, welfare, hospitals, higher education-instructional, and higher education-other. (See *Table 8*.)

CRC Memorandum

The distribution of state employees by function reflects the history of the state, the value placed on the function by the current state government and the resources available for support of various functions, as well as the distribution of functions between the state and sub-state governments. The distribution of state employees also reflects the degree to which various functions are per-

formed "in house" (i.e. not on contract), or, in the case of higher education, by private colleges and universities. Also relative to higher education, disparities may reflect the degree to which out of state students are attracted to state universities.

Michigan state government employment per capita barely ranked in the top half of states in the cat-

egories of corrections (ranked 19), hospitals (ranked 22), and higher education (ranked 25). Michigan state government employment per capita ranked at the bottom in the categories of highways (ranked 50), judicial and legal (ranked 49), health (ranked 48), and police (ranked 42). (See *Table 9*.)

Table 9
FTE State Employees per 10,000 Residents, 2006

	<u>Michigan</u>		<u>United States</u>	
	<u>Number</u>	<u>Rank</u>	<u>Average*</u>	<u>Range</u>
State Financial and Other				
Government Administration	6.1	41	7.5	5.1- 26.1
Judicial and Legal	1.5	49	5.7	1.2- 19.4
Police	2.8	42	3.5	0.6- 11.3
Corrections	17.1	19	15.6	7.8- 33.1
Highways	2.9	50	8.0	2.9- 45.8
Welfare and Social Insurance Administration	10.9	36	10.5	4.0- 33.7
Health	1.9	48	6.1	1.4- 25.1
Hospitals	13.8	22	13.3	1.1 - 54.1
Natural Resources	4.5	35	4.9	1.8- 34.8
Higher Education	64.7	25	52.4	26.8-127.1
Other Education	1.4	47	3.0	0.5- 9.5

* Total number of state FTE employees divided by total population

Financial and Other Government Administration. While Michigan, Illinois, and Missouri had 6.1 FTE state employees per 10,000 residents working in financial and other administration, eight states

had fewer employees proportional to population working in the combined categories of financial and other administration (Nebraska, Texas, and Florida all had 5.1 employees per 10,000 resi-

dents in this function). At the other extreme, Alaska had 26.1 and Vermont had 20.9. Nine states reported a larger absolute number of FTE employees working in those categories. (See *Table 10*.)

Table 10
State Financial and Other Government Administration Employees: Selected States

<u>Rank</u>	<u>State</u>	<u>Number</u>	<u>Per 10,000 Residents</u>	
			<u>Ratio</u>	<u>Rank</u>
1	California	25,505	7.0	33
2	New York	17,202	8.9	27
3	Texas	12,031	5.1	49
4	Pennsylvania	11,573	9.3	22
5	Florida	9,288	5.1	48
6	Ohio	8,916	7.8	28
7	New Jersey	8,163	9.4	21
8	Illinois	7,765	6.1	42
9	Massachusetts	6,213	9.7	17
10	Michigan	6,121	6.1	41
22	Minnesota	3,697	7.2	31
23	Wisconsin	3,649	6.6	37
26	Indiana	3,379	5.4	47
50	Wyoming	755	14.7	4
	United States	223,868	7.5	

Police. Eight states had fewer state FTE employees relative to population working as “police-officers” and “police-others,” and of those, Hawaii reported none, Wisconsin had 1.6, Texas had 1.7, and Minnesota had 1.9. In contrast, top ranked Delaware had 11.3 police employees per 10,000 residents. Ten states reported a larger number of FTE employees working in police activities. (See *Table 11*.)

Table 11
State Police Employees: Selected States

<u>Rank</u>	<u>State</u>	<u>Number</u>	<u>Per 10,000 Residents</u>	
			<u>Ratio</u>	<u>Rank</u>
1	California	12,600	3.5	27
2	New York	6,418	3.3	32
3	Pennsylvania	6,221	5.0	11
4	Massachusetts	5,927	9.2	3
5	New Jersey	4,648	5.3	8
6	Florida	4,461	2.5	43
7	Texas	4,102	1.7	48
8	Illinois	3,880	3.0	38
9	North Carolina	3,428	3.9	25
10	Virginia	3,019	4.0	21
11	Michigan	2,810	2.8	42
12	Ohio	2,687	2.3	45
22	Indiana	1,947	3.1	37
32	Minnesota	967	1.9	47
35	Wisconsin	897	1.6	49
50	Hawaii	0	0	50
	United States	104,524	3.5	

Corrections. In budget debates in Michigan, the escalating cost of the Department of Corrections has initiated a debate about sentencing and corrections policy. In 2006, Michigan had 171 corrections workers per 10,000 population. Leading the 31 states that had fewer corrections personnel per capita, Minnesota had 7.8 and Kentucky had 9.8. Of the 18 states that had more employees per capita working in corrections, Delaware had the most, with 33.1, followed by Alaska, with 25.9. Seven states, including North Carolina (population 8,856,505) and Georgia (population 9,363,941) reported a larger absolute number of employees working in corrections. (See *Table 12*.)

Table 12
State Corrections Employees: Selected States

<u>Rank</u>	<u>State</u>	<u>Number</u>	<u>Per 10,000 Residents</u>	
			<u>Ratio</u>	<u>Rank</u>
1	California	50,491	13.8	31
2	Texas	47,499	20.2	9
3	New York	33,891	17.6	16
4	Florida	28,790	15.9	22
5	North Carolina	20,869	23.6	3
6	Georgia	19,722	21.1	6
7	Pennsylvania	17,517	14.1	27
8	Michigan	17,294	17.1	19
9	Ohio	16,215	14.1	26
11	Illinois	13,642	10.6	44
16	Wisconsin	9,569	17.2	18
20	Indiana	7,411	11.7	40
30	Minnesota	4,018	7.8	50
50	North Dakota	697	11.0	42
	United States	467,496	15.6	

Welfare. Michigan reported 10,989 state FTE employees working in the combined categories of “public welfare” and “social insurance administration.” New Mexico also had 10.9 employees per 10,000 residents working in those categories and 14 states had fewer employees relative to population in those categories (Wisconsin had 4.0, Ohio had 4.7). Of the 34 states with larger relative numbers of employees in working in welfare and social insurance administration, Alaska had 33.7, Montana had 25.5, and Vermont had 25.1. Eight states reported a larger absolute number of employees working in the combined categories. (See *Table 13*.)

Table 13
State Public Welfare and Social Insurance Administration Employees: Selected States

<u>Rank</u>	<u>State</u>	<u>Number</u>	<u>Per 10,000 Residents</u>	
			<u>Ratio</u>	<u>Rank</u>
1	Texas	26,967	11.5	33
2	California	22,884	6.3	45
3	Pennsylvania	16,865	13.6	23
4	New York	13,809	7.2	43
5	Florida	12,166	6.7	44
6	Illinois	12,091	9.4	40
7	Washington	11,852	18.5	12
8	Georgia	11,574	12.4	27
9	Michigan	10,989	10.9	36
18	Indiana	6,919	11.0	34
22	Ohio	5,397	4.7	49
29	Minnesota	3,972	7.7	42
40	Wisconsin	2,240	4.0	50
50	North Dakota	823	12.9	25
	United States	315,268	10.5	

Hospitals. Among the 28 states with fewer state employees per capita working in hospitals, Arizona had 1.1, Florida had 2.1, and Vermont and Alaska had 3.3. Although 21 states had more state employees per capita working in hospitals (among them, New Mexico had 54.1, Mississippi had 41.4, and Hawaii had 33.1), five states reported a larger absolute number of state FTE employees working in the category “hospitals”. (See *Table 14*.)

Table 14
State Hospital Employees: Selected States

<u>Rank</u>	<u>State</u>	<u>Number</u>	<u>Per 10,000 Residents</u>	
			<u>Ratio</u>	<u>Rank</u>
1	New York	43,059	22.3	9
2	California	39,229	10.8	28
3	Texas	30,577	13.0	23
4	New Jersey	18,767	21.5	11
5	North Carolina	17,477	19.7	14
6	Michigan	13,887	13.8	22
9	Pennsylvania	12,156	9.8	30
12	Illinois	11,378	8.9	35
14	Ohio	10,937	9.5	31
27	Minnesota	4,904	9.5	33
31	Florida	3,790	2.1	49
33	Wisconsin	3,467	6.2	40
34	Indiana	2,646	4.2	46
50	Vermont	206	3.3	47
	United States	396,728	13.3	

Natural Resources. Georgia and Missouri matched Michigan's 4.5 state employees per 10,000 residents working in natural resources, and 14 states reported fewer state employees relative to population working in natural resources (New York had 1.8, Massachusetts had 2.2). There were 33 states that had more state employees per capita working in natural resources (Alaska had 34.8 and North Dakota had 26.0) and six states reported a larger absolute number of FTE employees working in this area. (See *Table 15*.)

Table 15
State Natural Resources Employees: Selected States

<u>Rank</u>	<u>State</u>	<u>Number</u>	<u>Per 10,000 Residents</u>	
			<u>Ratio</u>	<u>Rank</u>
1	California	13,427	3.7	40
2	Texas	11,510	4.9	27
3	Florida	10,358	5.7	23
4	Pennsylvania	6,295	5.1	25
5	Washington	5,026	7.9	16
6	Louisiana	4,746	11.1	9
7	Michigan	4,578	4.5	35
11	Illinois	3,640	2.8	46
13	Ohio	3,507	3.1	43
14	New York	3,429	1.8	50
17	Minnesota	3,052	5.9	20
19	Indiana	2,783	4.4	37
23	Wisconsin	2,386	4.3	38
50	New Hampshire	404	3.1	42
	United States	146,593	4.9	

Higher Education. Of the 50 states, 24 reported a larger number of FTE employees relative to population in higher education (North Dakota had 1271, Utah had 95.4) and 25 reported a smaller number (New York had 26.8, Florida had 31.8, Nevada had 35.4). Only California, Texas, and Ohio reported a larger absolute number of state FTE employees in higher education, and all of them had fewer employees in higher education relative to population. (See *Table 16*.)

Table 16
State Higher Education Employees: Selected States

<u>Rank</u>	<u>State</u>	<u>Number</u>	<u>Per 10,000 Residents</u>	
			<u>Ratio</u>	<u>Rank</u>
1	California	147,793	40.5	45
2	Texas	102,256	43.5	43
3	Ohio	67,635	58.9	30
4	Michigan	65,346	64.7	25
5	Florida	57,454	31.8	49
6	Pennsylvania	56,823	45.7	40
7	Illinois	56,661	44.2	42
8	Indiana	54,520	86.4	5
10	New York	51,760	26.8	50
16	Minnesota	35,604	68.9	18
18	Wisconsin	33,266	59.9	28
50	Wyoming	3,634	70.6	15
	United States	1,568,206	52.4	

When employees in the category “higher education” are removed from the Census Bureau’s count of state employees, Michigan ranked 42nd of the 50 states in the number of state employees per 10,000 residents (Michigan’s 68.9 state employees per 10,000 residents were less than the national average of 89.6). When both “higher education” and “corrections” employees are deducted from the number of state employees, Michigan ranked 44th of the 50 states in the number of state em-

ployees per 10,000 residents (Michigan’s 51.8 employees per 10,000 residents were less than the national average of 74.0, but more than the states of Arizona, Illinois, Colorado, Ohio, Wisconsin, and Indiana).

Other Categories. Eighteen states reported fewer employees than Michigan’s 1,553 in the category “judicial and legal administration,” but only California had fewer employees per capita (1.2, compared to Michigan’s 1.5) in this

category. While 19 states reported fewer employees in the category “highways,” no state reported fewer employees per capita in this category (Michigan had 2.9 state highway employees per 10,000 residents). Similarly, 19 states had fewer employees working in the area of health, but on a per capita basis, only Iowa and Pennsylvania had fewer state employees working in the category of health (Michigan had 1.9; Pennsylvania had 1.5; Iowa had 1.4).

Section 2: The Cost of State Employees

According to a February 2007 survey by the National Association of State Personnel Executives¹ which measured average headcounts for 2006, Michigan state government employed 54,895 classified workers in state departments and agencies, excluding higher education and quasi-state agencies. Of the 40 states that responded to the survey (Connecticut, Hawaii, Illinois, Kentucky, Maine, New Hampshire, New Mexico, North Dakota, Ohio, and Rhode Island failed to submit responses), seven reported a higher number of classified state employees. (See *Table 17*.)

Table 17
Total State Classified Employees: Selected States

<u>Rank</u>	<u>State</u>	<u>Employee Headcount*</u>
1	California	210,591
2	Texas	144,935
3	New York	138,671
4	Florida	84,554
5	North Carolina	70,580
6	New Jersey	63,684
7	Washington	56,598
8	Michigan	54,895
9	Pennsylvania	54,297
14	Wisconsin	39,629
17	Indiana	35,951
21	Minnesota	29,200
40	South Dakota	6,550

* Departments and agencies, excluding higher education and quasi-state agencies

In Michigan, the average age of classified state employees was 45.4 years. Compared to the other 39 responding states, the Michigan state employees were, on average, younger than those in 17 other states, the same age as those in two other states, and older than those in 19 states. Average ages of state employees ranged from 38.2 in Nevada (the only reporting state with an average age not in the 40s) to 47.2 in New York. (See *Table 18*.)

Table 18
Average Age of State Classified Employees: Selected States

<u>Rank</u>	<u>State</u>	<u>Average Age</u>
1	New York	47.2
5	Indiana	46.6
6	Minnesota	46.6
7	Wisconsin	46.3
8	Pennsylvania	46.0
18	Michigan	45.4
21	California	45.0
33	Florida	43.7
38	Texas	43.0
39	Nevada	38.2

¹ Included in The Book of the States, 2007 Edition, Volume 39.

While they were at about the median in average age, Michigan state employees had more average years of state service than employees in all but five states. In contrast, classified employees in Arizona had only 8.1 average years of service with the state, and those in Alaska had 8.9. (See *Table 19*.)

Table 19
Average Years of Service of State Classified Employees: Selected States

<u>Rank</u>	<u>State</u>	<u>Average Years of State Service</u>
1	California	22.6
2	New York	16.2
3	Wisconsin	14.8
4	Massachusetts	14.6
5	Iowa	14.3
6	Michigan	13.9
7	Minnesota	13.8
8	Pennsylvania	13.0
16	Indiana	12.2
21	Florida	11.5
33	Texas	10.0
39	Arizona	8.1

In 2006, Michigan state employees were comparatively well paid and enjoyed very generous fringe benefits relative to employees in other states. The National Association of State Personnel Executives survey found that the average base salary of full-time state employees in Michigan was \$49,715. In this, Michigan ranked sixth of the 41 responding states, just above New York. (See *Table 20*.)

Three states reported average base salary of full-time state employees to be less than \$30,000: Mississippi at \$28,062.44; Missouri at \$29,370.00; and Tennessee at \$28,107.00.

Table 20
Average Base Salary of State Classified Employees: Selected States

<u>Rank</u>	<u>State</u>	<u>Average Base Salary</u>
1	California	\$69,123
2	New Jersey	53,282
3	Massachusetts	51,014
4	Colorado	50,632
5	Minnesota	50,600
6	Michigan	49,715
7	New York	49,245
10	Wisconsin	47,464
15	Pennsylvania	43,727
20	Texas	38,817
32	Florida	34,834
35	Indiana	32,646
41	Mississippi	28,062

CRC Board of Directors

KENT J. VANA, Chair
EUGENE A. GARGARO, JR., Vice Chair
JEFFREY D. BERGERON, Treasurer
J. EDWARD BERRY
BETH CHAPPELL
TERENCE M. DONNELLY
RANDALL W. EBERTS
DAVID O. EGNER
W. FRANK FOUNTAIN
INGRID A. GREGG
FRANK M. HENNESSEY
MARYBETH S. HOWE
NICK A. KHOURI
DANIEL T. LIS
ALEKSANDRA A. MIZIOLEK
IRVING ROSE
JERRY E. RUSH
TERENCE A. THOMAS
AMANDA VAN DUSEN
JEFFREY K. WILLEMMAIN
EARL M. RYAN, President



Citizens Research Council of Michigan

38777 West Six Mile Road, Suite 208
Livonia, MI 48152-2660

NON PROFIT ORG.
U.S. POSTAGE

PAID

DETROIT, MI
PERMIT NO. 210

Of the 39 states that reported fringe benefit costs, only Alaska and Nebraska reported average fringe benefit costs for full-time state employees higher than those in Michigan. (See *Table 21*.)

Nine of the 39 states that reported this metric had average fringe benefit costs in excess of \$20,000 per full-time employee. The lowest reported average fringe benefit cost was \$3,690.00 in Arkansas, followed by \$5,675.00 in Kansas. Seven states (Arkansas, Kansas, Montana, Wisconsin, Mississippi, South Carolina, and South Dakota) had average fringe benefit costs of less than \$10,000.

Table 21
Average Fringe Benefit Costs of State Classified Employees: Selected States

<u>Rank</u>	<u>State</u>	<u>Average Fringe Benefit Costs per Full-Time Employee</u>
1	Alaska	\$29,125
2	Nebraska	25,918
3	Michigan	25,703
9	California	20,737
11	Pennsylvania	19,353
14	Texas	17,321
20	Minnesota	15,200
21	Indiana	15,079
30	Florida	12,193
36	Wisconsin	9,232
39	Arkansas	3,690

Conclusion

Comparative data for 2006 indicate that Michigan ranked eighth of the 50 states in population, and ranked 11th in the absolute number of state and local full-time equivalent employees. When total state and local FTE employees per 10,000 population is calculated, however, Michigan ranked 45th of the 50 states, and when only state employees are mea-

sured relative to population, Michigan ranked 39th. When both "higher education" and "corrections" employees are deducted from the number of state employees, Michigan ranked 44th of the 50 states in the number of state employees per 10,000 residents (Michigan's 51.8 employees per 10,000 residents were less than the national average of 74.0).

At the same time, Michigan ranked sixth highest of 40 responding states in the average base salary of classified employees excluding higher education and quasi-state agencies, and third highest in average fringe benefit costs for those employees.